

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company
to Market Value Humboldt Bay Power Plant
Fossil Units and for Authority to Retain in the
Distribution Utility Pursuant to Public Utilities
Sections 367(b) and 377. (U 39 E)

Application 00-05-034
(Filed May 15, 2000)

**OPINION DISMISSING APPLICATION TO MARKET VALUE
HUMBOLDT BAY POWER PLANT****Summary**

On May 15, 2000, Pacific Gas and Electric Company (PG&E) filed an application to market value its Humboldt Bay Power Plant non-nuclear fossil units through an independent appraisal process.

The application is dismissed since there is no longer any need for PG&E to market value these assets. This proceeding is closed.

Discussion

At the time this application was filed, the utilities were required by Decision (D.) 00-03-019 to market value non-nuclear generation-related assets. Subsequently, the Legislature enacted Assembly Bill ABX1-6 (Ch. 2, Stats. 2001, special session 1)¹ eliminating market value as a factor influencing the ratemaking treatment for utility retained generation (URG) in the context of the

¹ ABX1-6 filed with the Secretary of the State on January 18, 2001, effective immediately, amended Sections 216, 330 and 377 of the Public Utilities Code.

continuing regulation as required by Pub. Util. Code § 377. As amended by ABX1-6, Section 377 provides that the URG assets continue under traditional Commission regulation until the Commission has authorized some other disposition of the assets pursuant to Section 851 and, in any event, at least until January 1, 2006.

Comments on Draft Decision

The draft decision of the Administrative Law Judge (ALJ) in this matter was mailed to the parties in accordance with Pub. Util. Code §311(g)(1) and Rule 77.7 of the Rules of Practice and Procedure. No comments were filed.

Assignment of Proceeding

Loretta M. Lynch is the Assigned Commissioner and Bertram D. Patrick is the assigned ALJ in this proceeding.

Finding of Fact

There is no longer any need for PG&E to market value these assets because ABX1-6 eliminated the need for market valuation.

Conclusion of Law

The application should be dismissed without prejudice.

O R D E R**IT IS ORDERED** that:

1. Pacific Gas and Electric Company's request for authority to market value the non-nuclear, fossil-fueled generation assets located at its Humboldt Bay Power Plant is dismissed without prejudice.

2. This proceeding is closed.

This order is effective today.

Dated _____, at San Francisco, California.